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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

SUSAN BITTER SMITH, Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

DOCKETED

AUG 03 2015

DOCKETED BY

In the matter of:

LOAN GO CORPORATION, a Utah
corporation,

JUSTIN C. BILLINGSLEY and HEATHER
BILLINGSLEY, husband and wife,

JEFFREY SCOTT PETERSON, an unmarried
man,

JOHN KEITH AYERS and JENNIFER ANN
BRINKMAN-AYERS, husband and wife,

Respondents.

DOCKET NO. S-20932A-15-0220

RESPONDENTS LOAN GO
CORPORATION AND JEFFREY
SCOTT PETERSON'S ANSWER TO
NOTICE OF OPPORTUNITY FOR
HEARING REGARDING PROPOSED
ORDER TO CEASE AND DESIST,
ORDER FOR RESTITUTION, ORDER
FOR ADMINISTRATIVE PENALTIES,
AND ORDER FOR OTHER
AFFIRMATIVE ACTION

ORIGINAL

Respondents LoanGo Corporation and Jeffrey Scott Peterson ("LoanGo") submit their Answer to the Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and for Other Affirmative Action ("Notice"). LoanGo responds to the numbered paragraphs of the Notice as follows:

I.

JURISDICTION

1. LoanGo admits the allegations in paragraph 1 of the Notice.

II.

RESPONDENTS

2. LoanGo admits the allegations in paragraph 2 of the Notice.

1 3. LoanGo is without sufficient knowledge or information to admit or deny the
2 allegations contained in paragraph 3, and, therefore denies those allegations.

3 4. LoanGo admits the allegations in paragraph 4 of the Notice.

4 5. LoanGo is without sufficient knowledge or information to admit or deny the
5 allegations contained in paragraph 5, and, therefore denies those allegations.

6 6. LoanGo admits the allegations in paragraph 6 of the Notice.

7 7. LoanGo admits the allegations in paragraph 7 of the Notice.

8 8. LoanGo is without sufficient knowledge or information to admit or deny the
9 allegations contained in paragraph 8, and, therefore denies those allegations.

10 9. LoanGo admits the allegations in paragraph 9 of the Notice.

11 10. LoanGo is without sufficient knowledge or information to admit or deny the
12 allegations contained in paragraph 10, and, therefore denies those allegations.

13 11. LoanGo is without sufficient knowledge or information to admit or deny the
14 allegations contained in paragraph 11, and, therefore denies those allegations.

15 12. This paragraph explains how the Notice refers to the parties and requires no answer.

16 **III.**

17 **FACTS**

18 13. The allegations in paragraph 13 are an inaccurate, incomplete and misleading
19 statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 13.

20 14. The allegations in paragraph 14 are an inaccurate, incomplete and misleading
21 statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 14.

22 15. The allegations in paragraph 15 are an inaccurate, incomplete and misleading
23 statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 15.

16. The allegations in paragraph 16 are an inaccurate, incomplete and misleading statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 16.

17. The allegations in paragraph 17 are an inaccurate, incomplete and misleading statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 17.

18. The allegations in paragraph 18 are an inaccurate, incomplete and misleading statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 18.

19. The allegations in paragraph 19 are an inaccurate, incomplete and misleading statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 19.

20. The allegations in paragraph 20 are an inaccurate, incomplete and misleading statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 20.

21. LoanGo admits the allegations in paragraph 21 of the Notice.

22. LoanGo is without sufficient knowledge or information to admit or deny the allegations contained in paragraph 22, and, therefore denies those allegations.

23. LoanGo is without sufficient knowledge or information to admit or deny the allegations contained in paragraph 23, and, therefore denies those allegations.

24. LoanGo is without sufficient knowledge or information to admit or deny the allegations contained in paragraph 24, and, therefore denies those allegations.

25. The allegations in paragraph 25 are an inaccurate, incomplete and misleading statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 25.

26. The allegations in paragraph 26 refer to documents that speak for themselves. Accordingly, LoanGo admits the allegations in paragraph 26.

27. The allegations in paragraph 27 refer to documents that speak for themselves. Accordingly, LoanGo admits the allegations in paragraph 27.

1 28. LoanGo is without sufficient knowledge or information to admit or deny the
2 allegations contained in paragraph 28, and, therefore denies those allegations.

3 29. LoanGo is without sufficient knowledge or information to admit or deny the
4 allegations contained in paragraph 29, and, therefore denies those allegations.

5 30. LoanGo is without sufficient knowledge or information to admit or deny the
6 allegations contained in paragraph 30, and, therefore denies those allegations.

7 31. The allegations in paragraph 31 are an inaccurate, incomplete and misleading
8 statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 31.

9 32. LoanGo is without sufficient knowledge or information to admit or deny the
10 allegations contained in paragraph 32, and, therefore denies those allegations.

11 33. Because LoanGo is without sufficient knowledge or information to admit or deny the
12 allegations contained in paragraph 32, it therefore denies the allegations in paragraph 33.

13 34. Because LoanGo is without sufficient knowledge or information to admit or deny the
14 allegations contained in paragraph 32, it therefore denies the allegations in paragraph 34.

15 35. Because LoanGo is without sufficient knowledge or information to admit or deny the
16 allegations contained in paragraph 32, it therefore denies the allegations in paragraph 35.

17 36. Because LoanGo is without sufficient knowledge or information to admit or deny the
18 allegations contained in paragraph 32, it therefore denies the allegations in paragraph 36.

19 37. Because LoanGo is without sufficient knowledge or information to admit or deny the
20 allegations contained in paragraph 32, it therefore denies the allegations in paragraph 37.

21 38. Because LoanGo is without sufficient knowledge or information to admit or deny the
22 allegations contained in paragraph 32, it therefore denies the allegations in paragraph 38.

1 39. LoanGo is without sufficient knowledge or information to admit or deny the
2 allegations contained in paragraph 39, and, therefore denies those allegations.

3 40. LoanGo does not know what document is quoted or referred to in Paragraph 40 and
4 therefore denies the allegations in paragraph 40.

5 41. LoanGo is without sufficient knowledge or information to admit or deny the
6 allegations contained in paragraph 41, and, therefore denies those allegations.

7 42. LoanGo is without sufficient knowledge or information to admit or deny the
8 allegations contained in paragraph 42, and, therefore denies those allegations.

9 43. LoanGo is without sufficient knowledge or information to admit or deny the
10 allegations contained in paragraph 43, and, therefore denies those allegations.

11 44. The allegations in paragraph 44 are an inaccurate, incomplete and misleading
12 statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 44.

13 45. LoanGo is without sufficient knowledge or information to admit or deny the
14 allegations contained in paragraph 45, and, therefore denies those allegations.

15 46. LoanGo is without sufficient knowledge or information to admit or deny the
16 allegations contained in paragraph 46, and, therefore denies those allegations.

17 47. LoanGo is without sufficient knowledge or information to admit or deny the
18 allegations contained in paragraph 47, and, therefore denies those allegations.

19 48. The allegations in paragraph 48 are an inaccurate, incomplete and misleading
20 statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 48.

IV.

VIOLATION OF A.R.S. § 44-1841

(Offer or Sale of Unregistered Securities)

49. The allegations in paragraph 49 are an inaccurate, incomplete and misleading statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 49.

50. The allegations in paragraph 50 are an inaccurate, incomplete and misleading statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 50.

51. LoanGo denies the allegations in paragraph 51.

V.

VIOLATION OF A.R.S. § 44-1842

(Transactions by Unregistered Dealers or Salesmen)

52. The allegations in paragraph 52 are an inaccurate, incomplete and misleading statement of the facts. Accordingly, LoanGo denies each and every allegation in paragraph 52.

53. LoanGo denies the allegations in paragraph 53.

VI.

VIOLATION OF A.R.S. § 44-1991

(Fraud in Connection with the Offer or Sale of Securities)

54. LoanGo denies the allegations in paragraph 54.

55. LoanGo denies the allegations in paragraph 55.

56. LoanGo denies the allegations in paragraph 56

57. LoanGo denies the allegations in paragraph 57.

58. LoanGo denies every allegation not specifically referred to herein.

AFFIRMATIVE DEFENSES

The following affirmative defenses nullify any potential claims asserted by the Division. LoanGo reserves the right to amend this Answer to assert additional defenses after completion of discovery.

First Affirmative Defense

The ACC cannot meet the applicable standards for any of the relief it is seeking in the Amended Notice.

Second Affirmative Defense

The Amended Notice fails to state a claim upon which relief can be granted.

Third Affirmative Defense

LoanGo did not engage in any activity that required registration with the Arizona Corporation Commission's Securities Division.

Fourth Affirmative Defense

If the program at issue is determined to be a security, it was exempt from registration and/or sold in an exempt transaction.

Fifth Affirmative Defense

The alleged investors suffered no injuries or damages as a result of LoanGo's alleged acts.

Sixth Affirmative Defense

The alleged investors alleged injuries or damages are the result of acts or omissions committed by non-parties.

1 Seventh Affirmative Defense

2 Neither Restitution, nor an administrative penalty are appropriate remedies.

3 Eight Affirmative Defense

4 To the extent an award of restitution is ordered, the ACC should use its discretion to reduce
5 the amount, if any, LoanGo must pay.

6 Ninth Affirmative Defense

7 LoanGo did not violate A.R.S. §§ 44-1841 or 44-1842.

8 Tenth Affirmative Defense

9 Respondents did not act within the requisite scienter.

10 Eleventh Affirmative Defense

11 The Division has failed to plead fraud with reasonable particularity as required by Rule 9(b)
12 of the Arizona Rules of Civil Procedure.

13 Twelfth Affirmative Defense

14 Respondents did not employ a device, scheme or artifice to defraud the alleged investors.

15 Thirteenth Affirmative Defense

16 Respondents did not make or intentionally make any untrue statements of material fact that
17 were misleading.

18 Fourteenth Affirmative Defense

19 The alleged investors could not have reasonably relied upon any statement or action by
20 Respondents.

21 Fifteenth Affirmative Defense

22 Respondents did not engage in any transaction, practice or concourse of business that
23 operated or would operate as a fraud or deceit upon the alleged investors.

1
2 Sixteenth Affirmative Defense

3 The ACC's claims are barred as either vague, ambiguous, overbroad, or a combination of
4 the three.

5
6 Seventeenth Affirmative Defense

7 The ACC's claims are barred as a violation of due process.

8
9 Eighteenth Affirmative Defense

10 Any damages are due to the fault of others.

11
12 Nineteenth Affirmative Defense

13 LoanGo made neither material omissions nor material misrepresentations, nor did it
14 otherwise violate A.R.S. § 44-1991,

15 Twentieth Affirmative Defense

16 Mr. Peterson was not a controlling person of LoanGo within the meaning of A.R.S. § 44-
17 1999.

18
19 Twenty-first Affirmative Defense

20 If Mr. Peterson is deemed a controlling person of LoanGo he is not liable for any alleged
21 securities fraud because he acted in good faith and did not directly or indirectly induce any alleged
22 violation of the Securities Act.

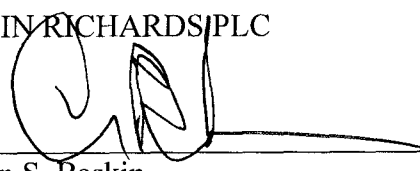
23 Twenty-second Affirmative Defense

24 LoanGo alleges such other affirmative defenses set forth in the Arizona Rules of Civil
25 Procedure 8(c) as may be determined to be applicable during discovery.
26
27

BASKIN RICHARDS PLC
2901 North Central Avenue
Suite 1150
Phoenix, AZ 85012
TELEPHONE NO 480-968-1225
FACSIMILE 480-968-6255

1 RESPECTFULLY SUBMITTED this 3rd day of August, 2015.

2 BASKIN RICHARDS PLC

3
4 By 
5 Alan S. Baskin
6 29014 North Central Avenue, Suite 1150
7 Phoenix, AZ 85012
8 *Attorney for Respondents Loan Go*
9 *Corporation and Jeffrey Scott Peterson*

10 ORIGINAL and thirteen copies of the foregoing
11 filed this 3rd day of August, 2015 with:

12 Docket Control
13 Arizona Corporation Commission
14 1200 West Washington Street
15 Phoenix, AZ 85007

16 COPY of the foregoing hand-delivered
17 this 3rd day of August, 2015 to:

18 Matthew J. Neubert
19 Director of Securities
20 Securities Division
21 Arizona Corporation Commission
22 1300 W. Washington Street, 3rd Floor
23 Phoenix, AZ 85007

24 Hearing Officer
25 Hearing Division
26 Arizona Corporation Commission
27 1200 W. Washington Street
Phoenix, AZ 85007

COPY of the foregoing mailed
this 3rd day of August, 2015 to:

Dwight Nodes
Securities Division
Arizona Corporation Commission
1300 W. Washington, 3rd Floor
Phoenix, AZ 85007

COASH & COASH

BASKIN RICHARDS PLC

2901 North Central Avenue

Suite 1150

Phoenix, AZ 85012

TELEPHONE NO 480-968-1225

FACSIMILE 480-968-6255

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1802 North 7th Street
Phoenix, AZ 85006

Frank Mead
Joshua C. Black
3838 North Central Avenue
Suite 100
Phoenix, AZ 85012
Attorneys for Respondents' Billingsley

Keven Fallon McCarthy
McCarthy Law PLC
4250 North Drinkwater Boulevard
Suite 320
Scottsdale, AZ 85251
Attorneys for Respondents' Ayers

Natie Bredlow